CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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25X1A REPORT NO. Panama COUNTRY 7 July 1953 Activities of the Partido del Pueblo DATE DISTR. SUBJECT (PDP, People's Party - Communist) 1 NO. OF PAGES 25X1A DATE OF INFO. RD REQUIREMENT NO. REFERENCES PLACE ACQUIRED

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.

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(FOR KEY SEE REVERSE)

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SOURCE:

- 1. Cesar DE LEON, Secretary of Propaganda of the Partido del Pueblo (PDP, People's Party Communist) has advised PDP leaders that there will soon be a reduction in force of military personnel in the Canal Zone area. The PDP believes that this will cause discontent in some sectors, particularly among the Puerto Rican troops assigned to this area. In order to learn the motivating factors for the reduction in force, PDP members will question Puerto Rican military personnel in local bars and on the streets.
- 2. Hugo VICTOR, PDP President, has also brought the matter of U.S. rate personnel in the Canal Zone before the PDP. Recent developments concerning this have created an atmosphere of optimism within the Party, since PDP leaders believe that elimination of the 25% differential and hospital benefits will have a strongly adverse effect on the Panamanian economy, thereby tending to eliminate the wealthy merchants in the Republic.

Comment. The matter of U.S. rate personnel in the Canal Zone concerns the bill currently before the United States Congress which eliminates the 25% differential and hospital benefits for U.S. rate employees (generally U.S. citizens) in the Canal Zone and increases the rents paid for government quarters by that group.

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